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Vienna Insurance Group is a pioneer in socially sustainable investments

The social factor needs to be more strongly integrated in the EU sustainability agenda

According to the EU Commission, EUR 180 billion in sustainable investments are required each year until 2030 to achieve climate and energy targets. A major share needs to come from private-sector institutional investors, such as insurance companies. Following the adoption of the EU action plan “Financing sustainable growth”, its legal foundation will now be gradually implemented.

Vienna Insurance Group (VIG) was the only insurance company invited to present its sustainable investments as a case study to the European insurance supervisory authority (EIOPA) in Frankfurt. *“What is being planned at the EU level has been a part of our life at VIG for decades,”* explained Elisabeth Stadler, CEO of VIG. The VIG Group has been investing in social housing for more than 30 years, providing support for more than 100,000 affordable housing units. VIG’s investments in this area make an important contribution to the housing market’s stability and, at the same time, support social coherence in society.

In simple terms, investments are generally considered “sustainable” if they satisfy the following three factors, “Environment, Social and Governance”, which is why they are also referred to as the “ESG criteria”. Although the EU agenda includes the social factor, it currently plays only a secondary role. That is why we are calling for it to be more strongly integrated. *“According to Eurostat, one in ten EU citizens currently lives in affordable housing and the need continues to increase. Affordable housing is an urgent issue in many Member States. The EU sustainability agenda should therefore assign a greater weight to the social factor today, rather than tomorrow,”* stressed Elisabeth Stadler.

The European legislative process on sustainable finance begins in Autumn 2018. The first step will be to agree on a unified classification system (“taxonomy”), to provide clarity for investors about what can be considered “sustainable”. That gives the European legislator an opportunity to assign a greater weight to the social factor. After this, the EU Commission also intends to include sustainability in the prudential regulatory requirements for insurance companies.

Vienna Insurance Group (VIG) is the leading insurance specialist in Austria as well as in Central and Eastern Europe. About 50 companies in 25 countries form a Group with a long-standing tradition, strong brands and close customer relations. VIG has close to 200 years of experience in the insurance business. With more than 25,000 employees, Vienna Insurance Group is the clear market leader in its Austrian and CEE markets. It is therefore excellently positioned to take advantage of the long-term growth opportunities in a region with 180 million people. The listed Vienna Insurance Group is the best-rated company of ATX, the leading index of Vienna Stock Exchange; its share is also listed on the Prague Stock Exchange.

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